

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2194

ANSWERED ON:18.03.2002

COMMERCIAL PROCESSING OF FRUITS AND VEGETABLES

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether India is the second largest producer of fruits and vegetables in the world;
- (b) if so, whether commercial processing of fruits and vegetables is comparatively less in the country;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps taken/proposed to be taken by the Government to encourage the said processing?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)to(c): Yes, Sir. India is the second largest producer of fruits and vegetables after China. However, out of a total production of 45.5 million tonnes of fruits and 90.8 million tonnes of vegetables, it is estimated that only about 2 percent of it is being processed. The main reason for low processing is due to inadequate infrastructural facilities for processing, low profit margins of processed products, seasonality of production, high perishability, multiplicity of laws and tax structure.

(d): The Ministry of Food Processing Industries (MFPI) is implementing Platschemes to increase the processing of fruits and vegetables. Besides, MFPI have initiated a number of steps to promote the processing sector by way of the following measures:

- i) Inclusion of Fruit & Vegetable processing as priority sector for bank lending,
- ii) Approval for Foreign Direct Investment under Automatic Route.
- iii) Bringing down Excise duty on processed fruits and vegetables to zero level from 16%.
- iv) Formulation of draft National Food Processing Policy.

Besides, the National Horticulture Board under the Ministry of Agriculture is implementing a Scheme on `Development of Commercial Horticulture through Post- harvest Management` under which back-ended subsidy @ 20% of the total costsubject to a maximum ceiling of Rs. 25.00 lakhs can be availed for setting up viable projects on commercial horticulture including primary processing of horticultural produce. The maximum ceiling of the project is Rs.30.00 lakhs per project for North Eastern, Tribal & Hilly areas.